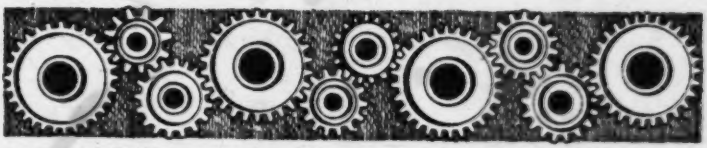

652 the budget of Austrian administration at the end of the First Republic must be considered to have been thoroughly satisfactory. The often apparently insurmountable difficulties which confronted economic policy in those days were dealt with in such a manner that the state of Austrian trade in 1937, judged by production, income and consumption, could in every way bear comparison with that of other countries. During the whole of this period the national budget was balanced and the currency was considered to be one of the most stable in Europe. The Austrian Schilling was known in general as the "Alpendollar" on account of its stability.

653 The administration of the Federal Government as well as that of the various provincial governments was developed on the basis of a balanced economy as a framework of a general working programme. In the first place, road-building was started, improvements carried out and private building activity encouraged to make investments. The number of unemployed ceased to increase and even showed a slight tendency to fall from season to season through large-scale recruiting of workers for the land. The actual unemployed were able to draw on unemployment insurance funds. Weekly payments of about 28 Schillings per person meant that even during those difficult years nobody had to suffer hunger. These social measures, passed during the first ten years of the Republic, still remain in force for the

745

functioning of the Austrian credit system. This aim was principally served by the Bank Reopening Law and the Bankruns Transition Law of July 1945. These were followed at the end of 1945 by the Schilling Law which restored the Austrian Schilling in place of the Reichsmark currency and attempted to combat symptoms of inflation (which in part had appeared before the fall of the Nazi Government) by the blocking of accounts. Two years later the Schilling Law was reinforced by the Currency Reform Law which declared forfeit the greater part of the frozen assets which had been created by the Schilling Law and changed the remaining accounts (then only partly free) into liabilities of the National Treasury. The stabilisation of the currency at which the Currency Reform Law aimed has been successful, and the Schilling has once again become a real standard of value as a result of this measure.

Apart from the prominent part they played in carrying through the currency measures, the credit institutions were naturally chiefly concerned with providing a basis for their primary economic function, that of collecting superfluous money and directing it to the most useful channels of general trade.

Progress made in both these directions, and future prospects are by no means inconsiderable. There is an obvious return of confidence in the banks. This is shown by the slow but steady increase in deposits, encouraged by re-adoption of the principle of the secrecy of bank transactions and by